

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1640

To provide a low-income school choice demonstration program.

---

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 1995

Mr. WELDON of Florida (for himself and Mr. RIGGS) introduced the following bill; which was referred to the Committee on Economic and Educational Opportunities

---

## A BILL

To provide a low-income school choice demonstration program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Low-Income School  
5       Choice Demonstration Act of 1995”.

6       **SEC. 2. PURPOSE.**

7       The purpose of this Act is to determine the effects  
8       on students and schools of providing financial assistance  
9       to low-income parents to enable such parents to select the  
10      public or private schools their children will attend.

1 **SEC. 3. DEFINITIONS.**

2 As used in this Act—

3 (1) the term “choice school” means any public  
4 or private school, including a private sectarian  
5 school or a public charter school, that is involved in  
6 a demonstration project assisted under this Act;

7 (2) the term “eligible child” means a child in  
8 grades 1 through 12 who is eligible for free or re-  
9 duced price lunches under the National School  
10 Lunch Act;

11 (3) the term “eligible entity” means a public  
12 agency, institution, or organization, such as a State,  
13 a State or local educational agency, a consortium of  
14 public agencies, or a consortium of public and pri-  
15 vate nonprofit organizations, that can demonstrate,  
16 to the satisfaction of the Secretary, its ability to—

17 (A) receive, disburse, and account for Fed-  
18 eral funds; and

19 (B) carry out the activities described in its  
20 application under this Act;

21 (4) the term “evaluating agency” means any  
22 academic institution, consortium of professionals, or  
23 private or nonprofit organization, with demonstrated  
24 experience in conducting evaluations, that is not an  
25 agency or instrumentality of the Federal Govern-  
26 ment;

1           (5) the term “local educational agency” has the  
2           same meaning given such term in section 14101 of  
3           the Elementary and Secondary Education Act of  
4           1965;

5           (6) the term “parent” includes a legal guardian  
6           or other individual acting in loco parentis;

7           (7) the term “school” means a school that pro-  
8           vides elementary education or secondary education  
9           (through grade 12), as determined under State law;  
10          and

11          (8) the term “Secretary” means the Secretary  
12          of Education.

13 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

14          There are authorized to be appropriated \$30,000,000  
15          for fiscal year 1996, and such sums as may be necessary  
16          for each of the fiscal years 1997 and 1998, to carry out  
17          this Act.

18 **SEC. 5. PROGRAM AUTHORIZED.**

19          (a) RESERVATION.—From the amount appropriated  
20          pursuant to the authority of section 4 in any fiscal year,  
21          the Secretary shall reserve and make available to the  
22          Comptroller General of the United States 5 percent for  
23          evaluation of programs assisted under this Act in accord-  
24          ance with section 11.

25          (b) GRANTS.—

1           (1) IN GENERAL.—From the amount appro-  
2           priated pursuant to the authority of section 4 and  
3           not reserved under subsection (a) for any fiscal year,  
4           the Secretary shall award grants to eligible entities  
5           to enable such entities to carry out at least 10, but  
6           not more than 20, demonstration projects under  
7           which low-income parents receive education certifi-  
8           cates for the costs of enrolling their eligible children  
9           in a choice school.

10          (2) AMOUNT.—The Secretary shall award  
11          grants under paragraph (1) for fiscal year 1996 so  
12          that—

13                (A) not more than 2 grants are awarded in  
14                amounts of \$5,000,000 or less; and

15                (B) grants not described in subparagraph  
16                (A) are awarded in amounts of \$3,000,000 or  
17                less.

18          (3) CONTINUING ELIGIBILITY.—The Secretary  
19          shall continue a demonstration project under this  
20          Act by awarding a grant under paragraph (1) to an  
21          eligible entity that received such a grant for a fiscal  
22          year preceding the fiscal year for which the deter-  
23          mination is made, if the Secretary determines that  
24          such eligible entity was in compliance with this Act  
25          for such preceding fiscal year.

1 (c) USE OF GRANTS.—Grants awarded under sub-  
2 section (b) shall be used to pay the costs of—

3 (1) providing education certificates to low-in-  
4 come parents to enable such parents to pay the tui-  
5 tion, the fees, the allowable costs of transportation,  
6 if any, and the costs of complying with section  
7 9(a)(1), if any, for their eligible children to attend  
8 a choice school; and

9 (2) administration of the demonstration project,  
10 which shall not exceed 15 percent of the amount re-  
11 ceived in the first fiscal year for which the eligible  
12 entity provides education certificates under this Act  
13 or 10 percent in any subsequent year, including—

14 (A) seeking the involvement of choice  
15 schools in the demonstration project;

16 (B) providing information about the dem-  
17 onstration project, and the schools involved in  
18 the demonstration project, to parents of eligible  
19 children;

20 (C) making determinations of eligibility for  
21 participation in the demonstration project for  
22 eligible children;

23 (D) selecting students to participate in the  
24 demonstration project;

1 (E) determining the amount of, and issu-  
2 ing, education certificates;

3 (F) compiling and maintaining such finan-  
4 cial and programmatic records as the Secretary  
5 may prescribe; and

6 (G) collecting such information about the  
7 effects of the demonstration project as the eval-  
8 uating agency may need to conduct the evalua-  
9 tion described in section 11.

10 (d) SPECIAL RULE.—Any school participating in the  
11 demonstration program under this Act shall comply with  
12 title VI of the Civil Rights Act of 1964 and not discrimi-  
13 nate on the basis of race, color, or national origin.

14 **SEC. 6. AUTHORIZED PROJECTS; PRIORITY.**

15 (a) AUTHORIZED PROJECTS.—The Secretary may  
16 award a grant under this Act only for a demonstration  
17 project that—

18 (1) involves at least one local educational agen-  
19 cy that—

20 (A) receives funds under section 1124A of  
21 the Elementary and Secondary Education Act  
22 of 1965; and

23 (B) is among the 20 percent of local edu-  
24 cational agencies receiving funds under section  
25 1124A of such Act in the State and having the

1 highest number of children described in section  
2 1124(c) of such Act; and

3 (2) includes the involvement of a sufficient  
4 number of public and private choice schools, in the  
5 judgment of the Secretary, to allow for a valid dem-  
6 onstration project.

7 (b) PRIORITY.—In awarding grants under this Act,  
8 the Secretary shall give priority to demonstration  
9 projects—

10 (1) in which choice schools offer an enrollment  
11 opportunity to the broadest range of eligible chil-  
12 dren;

13 (2) that involve diverse types of choice schools;  
14 and

15 (3) that will contribute to the geographic diver-  
16 sity of demonstration projects assisted under this  
17 Act, including awarding grants for demonstration  
18 projects in States that are primarily rural and  
19 awarding grants for demonstration projects in States  
20 that are primarily urban.

21 **SEC. 7. APPLICATIONS.**

22 (a) IN GENERAL.—Any eligible entity that wishes to  
23 receive a grant under this Act shall submit an application  
24 to the Secretary at such time and in such manner as the  
25 Secretary may prescribe.

1 (b) CONTENTS.—Each application described in sub-  
2 section (a) shall contain—

3 (1) information demonstrating the eligibility for  
4 participation in the demonstration program of the  
5 eligible entity;

6 (2) with respect to choice schools—

7 (A) a description of the standards used by  
8 the eligible entity to determine which public and  
9 private schools are within a reasonable commut-  
10 ing distance of eligible children and present a  
11 reasonable commuting cost for such eligible  
12 children;

13 (B) a description of the types of potential  
14 choice schools that will be involved in the dem-  
15 onstration project;

16 (C)(i) a description of the procedures used  
17 to encourage public and private schools to be  
18 involved in the demonstration project; and

19 (ii) a description of how the eligible entity  
20 will annually determine the number of spaces  
21 available for eligible children in each choice  
22 school;

23 (D) an assurance that each choice school  
24 will not impose higher standards for admission  
25 or participation in its programs and activities



1 for eligible children provided education certifi-  
2 cates under this Act than the choice school does  
3 for other children;

4 (E) an assurance that each choice school  
5 operated, for at least 1 year prior to accepting  
6 education certificates under this Act, an edu-  
7 cational program similar to the educational pro-  
8 gram for which such choice school will accept  
9 such education certificates;

10 (F) an assurance that the eligible entity  
11 will terminate the involvement of any choice  
12 school that fails to comply with the conditions  
13 of its involvement in the demonstration project;  
14 and

15 (G) a description of the extent to which  
16 choice schools will accept education certificates  
17 under this Act as full or partial payment for  
18 tuition and fees;

19 (3) with respect to the participation in the dem-  
20 onstration project of eligible children—

21 (A) a description of the procedures to be  
22 used to make a determination of eligibility for  
23 participation in the demonstration project for  
24 an eligible child, which shall include—

1 (i) the procedures used to determine  
2 eligibility for free or reduced price lunches  
3 under the National School Lunch Act; or

4 (ii) any other procedure, subject to  
5 the Secretary's approval, that accurately  
6 establishes the eligibility for such partici-  
7 pation for an eligible child;

8 (B) a description of the procedures to be  
9 used to ensure that, in selecting eligible chil-  
10 dren to participate in the demonstration  
11 project, the eligible entity will—

12 (i) apply the same criteria to both  
13 public and private school eligible children;  
14 and

15 (ii) give priority to eligible children  
16 from the lowest income families;

17 (C) a description of the procedures to be  
18 used to ensure maximum choice of schools for  
19 participating eligible children, including proce-  
20 dures to be used when—

21 (i) the number of parents provided  
22 education certificates under this Act who  
23 desire to enroll their eligible children in a  
24 particular choice school exceeds the num-

1           ber of eligible children that the choice  
2           school will accept; and

3           (ii) grant funds and funds from local  
4           sources are insufficient to support the total  
5           cost of choices made by parents with edu-  
6           cation certificates under this Act; and

7           (D) a description of the procedures to be  
8           used to ensure compliance with section 9(a)(1),  
9           which may include—

10           (i) the direct provision of services by  
11           a local educational agency; and

12           (ii) arrangements made by a local  
13           educational agency with other service pro-  
14           viders;

15           (4) with respect to the operation of the dem-  
16           onstration project—

17           (A) a description of the geographic area to  
18           be served;

19           (B) a timetable for carrying out the dem-  
20           onstration project;

21           (C) a description of the procedures to be  
22           used for the issuance and redemption of edu-  
23           cation certificates under this Act;

24           (D) a description of the procedures by  
25           which a choice school will make a pro rata re-

1 fund of the education certificate under this Act  
2 for any participating eligible child who with-  
3 draws from the school for any reason, before  
4 completing 75 percent of the school attendance  
5 period for which the education certificate was  
6 issued;

7 (E) a description of the procedures to be  
8 used to provide the parental notification de-  
9 scribed in section 10;

10 (F) an assurance that the eligible entity  
11 will place all funds received under this Act into  
12 a separate account, and that no other funds will  
13 be placed in such account;

14 (G) an assurance that the eligible entity  
15 will provide the Secretary periodic reports on  
16 the status of such funds;

17 (H) an assurance that the eligible entity  
18 will cooperate with the Comptroller General of  
19 the United States and the evaluating agency in  
20 carrying out the evaluations described in section  
21 11; and

22 (I) an assurance that the eligible entity  
23 will—

24 (i) maintain such records as the Sec-  
25 retary may require; and

- 1 (ii) comply with reasonable requests  
2 from the Secretary for information; and  
3 (5) such other assurances and information as  
4 the Secretary may require.

5 **SEC. 8. EDUCATION CERTIFICATES.**

6 (a) EDUCATION CERTIFICATES.—

7 (1) AMOUNT.—The amount of an eligible  
8 child's education certificate under this Act shall be  
9 determined by the eligible entity, but shall be an  
10 amount that provides to the recipient of the edu-  
11 cation certificate the maximum degree of choice in  
12 selecting the choice school the eligible child will at-  
13 tend.

14 (2) CONSIDERATIONS.—

15 (A) IN GENERAL.—Subject to such regula-  
16 tions as the Secretary shall prescribe, in deter-  
17 mining the amount of an education certificate  
18 under this Act an eligible entity shall con-  
19 sider—

20 (i) the additional reasonable costs of  
21 transportation directly attributable to the  
22 eligible child's participation in the dem-  
23 onstration project; and

24 (ii) the cost of complying with section  
25 9(a)(1).

1 (B) SCHOOLS CHARGING TUITION.—If an  
2 eligible child participating in a demonstration  
3 project under this Act was attending a public or  
4 private school that charged tuition for the year  
5 preceding the first year of such participation,  
6 then in determining the amount of an education  
7 certificate for such eligible child under this Act  
8 the eligible entity shall consider—

9 (i) the tuition charged by such school  
10 for such eligible child in such preceding  
11 year; and

12 (ii) the amount of the education cer-  
13 tificates under this Act that are provided  
14 to other eligible children.

15 (3) SPECIAL RULE.—An eligible entity may pro-  
16 vide an education certificate under this Act to the  
17 parent of an eligible child who chooses to attend a  
18 school that does not charge tuition or fees, to pay  
19 the additional reasonable costs of transportation di-  
20 rectly attributable to the eligible child's participation  
21 in the demonstration project or the cost of comply-  
22 ing with section 9(a)(1).

23 (b) ADJUSTMENT.—The amount of the education cer-  
24 tificate for a fiscal year may be adjusted in the second  
25 and third years of an eligible child's participation in a

1 demonstration project under this Act to reflect any in-  
2 crease or decrease in the tuition, fees, or transportation  
3 costs directly attributable to that eligible child's continued  
4 attendance at a choice school, but shall not be increased  
5 for this purpose by more than 10 percent of the amount  
6 of the education certificate for the fiscal year preceding  
7 the fiscal year for which the determination is made. The  
8 amount of the education certificate may also be adjusted  
9 in any fiscal year to comply with section 9(a)(1).

10 (c) MAXIMUM AMOUNT.—Notwithstanding any other  
11 provision of this section, the amount of an eligible child's  
12 education certificate shall not exceed the per pupil expend-  
13 iture for elementary or secondary education, as appro-  
14 priate, by the local educational agency in which the public  
15 school to which the eligible child would normally be as-  
16 signed is located for the fiscal year preceding the fiscal  
17 year for which the determination is made.

18 (d) INCOME.—An education certificate under this  
19 Act, and funds provided under the education certificate,  
20 shall not be treated as income of the parents for purposes  
21 of Federal tax laws or for determining eligibility for any  
22 other Federal program.

23 **SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL**  
24 **LUNCH DATA.**

25 (a) EFFECT ON OTHER PROGRAMS.—

1           (1) IN GENERAL.—An eligible child participat-  
2       ing in a demonstration project under this Act, who,  
3       in the absence of such a demonstration project,  
4       would have received services under part A of title I  
5       of the Elementary and Secondary Education Act of  
6       1965 shall be provided such services.

7           (2) PART B OF THE INDIVIDUALS WITH DIS-  
8       ABILITIES EDUCATION ACT.—Nothing in this Act  
9       shall be construed to affect the requirements of part  
10      B of the Individuals with Disabilities Education Act.

11      (b) COUNTING OF ELIGIBLE CHILDREN.—Notwith-  
12     standing any other provision of law, any local educational  
13     agency participating in a demonstration project under this  
14     Act may count eligible children who, in the absence of such  
15     a demonstration project, would attend the schools of such  
16     agency, for purposes of receiving funds under any program  
17     administered by the Secretary.

18      (c) SPECIAL RULE.—Notwithstanding section 9 of  
19     the National School Lunch Act, an eligible entity receiving  
20     a grant under this Act may use information collected for  
21     the purpose of determining eligibility for free or reduced  
22     price lunches to determine an eligible child's eligibility to  
23     participate in a demonstration project under this Act and,  
24     if needed, to rank families by income, in accordance with  
25     section 7(b)(3)(B)(ii). All such information shall otherwise



1 remain confidential, and information pertaining to income  
2 may be disclosed only to persons who need that informa-  
3 tion for the purposes of a demonstration project under this  
4 Act.

5 (d) CONSTRUCTION.—

6 (1) OTHER INSTITUTIONS.—Nothing in this Act  
7 shall be construed to supersede or modify any provi-  
8 sion of a State constitution or State law that pro-  
9 hibits the expenditure of public funds in or by reli-  
10 gious or other private institutions, except that no  
11 provision of a State constitution or State law shall  
12 be construed or applied to prohibit any grantee from  
13 paying the administrative costs of a program under  
14 this Act or to prohibit the expenditure in or by reli-  
15 gious or other private institutions of any Federal  
16 funds provided under this Act.

17 (2) DESEGREGATION PLANS.—Nothing in this  
18 Act shall be construed to interfere with any desegre-  
19 gation plans that involve school attendance areas af-  
20 fected by this Act.

21 **SEC. 10. PARENTAL NOTIFICATION.**

22 Each eligible entity receiving a grant under this Act  
23 shall provide timely notice of the demonstration project  
24 to parents of eligible children residing in the area to be

1 served by the demonstration project. At a minimum, such  
2 notice shall—

3 (1) describe the demonstration project;

4 (2) describe the eligibility requirements for par-  
5 ticipation in the demonstration project;

6 (3) describe the information needed to make a  
7 determination of eligibility for participation in the  
8 demonstration project for an eligible child;

9 (4) describe the selection procedures to be used  
10 if the number of eligible children seeking to partici-  
11 pate in the demonstration project exceeds the num-  
12 ber that can be accommodated in the demonstration  
13 project;

14 (5) provide information about each choice  
15 school, including information about any admission  
16 requirements or criteria for each choice school par-  
17 ticipating in the demonstration project; and

18 (6) include the schedule for parents to apply for  
19 their eligible children to participate in the dem-  
20 onstration project.

21 **SEC. 11. EVALUATION.**

22 (a) ANNUAL EVALUATION.—

23 (1) CONTRACT.—The Comptroller General of  
24 the United States shall enter into a contract, with  
25 an evaluating agency that has demonstrated experi-

1       ence in conducting evaluations, for the conduct of an  
2       ongoing rigorous evaluation of the demonstration  
3       program under this Act.

4               (2) ANNUAL EVALUATION REQUIREMENT.—The  
5       contract described in paragraph (1) shall require the  
6       evaluating agency entering into such contract to an-  
7       nually evaluate each demonstration project under  
8       this Act in accordance with the evaluation criteria  
9       described in subsection (b).

10              (3) TRANSMISSION.—The contract described in  
11       paragraph (1) shall require the evaluating agency  
12       entering into such contract to transmit to the Comp-  
13       troller General of the United States—

14                      (A) the findings of each annual evaluation  
15                      under paragraph (1); and

16                      (B) a copy of each report received pursu-  
17                      ant to section 12(a) for the applicable year.

18       (b) EVALUATION CRITERIA.—The Comptroller Gen-  
19       eral of the United States, in consultation with the Sec-  
20       retary, shall establish minimum criteria for evaluating the  
21       demonstration program under this Act. Such criteria shall  
22       provide for—

23                      (1) a description of the implementation of each  
24       demonstration project under this Act and the dem-  
25       onstration project's effects on all participants,

1 schools, and communities in the demonstration  
2 project area, with particular attention given to the  
3 effect of parent participation in the life of the school  
4 and the level of parental satisfaction with the dem-  
5 onstration program; and

6 (2) a comparison of the educational achieve-  
7 ment of all students in the demonstration project  
8 area, including a comparison of—

9 (A) students receiving education certifi-  
10 cates under this Act; and

11 (B) students not receiving education cer-  
12 tificates under this Act.

13 **SEC. 12. REPORTS.**

14 (a) REPORT BY GRANT RECIPIENT.—Each eligible  
15 entity receiving a grant under this Act shall submit to the  
16 evaluating agency entering into the contract under section  
17 11(a)(1) an annual report regarding the demonstration  
18 project under this Act. Each such report shall be submit-  
19 ted at such time, in such manner, and accompanied by  
20 such information, as such evaluating agency may require.

21 (b) REPORTS BY COMPTROLLER GENERAL.—

22 (1) ANNUAL REPORTS.—The Comptroller Gen-  
23 eral of the United States shall report annually to the  
24 Congress on the findings of the annual evaluation  
25 under section 11(a)(2) of each demonstration project

1       under this Act. Each such report shall contain a  
2       copy of—

3               (A) the annual evaluation under section  
4               11(a)(2) of each demonstration project under  
5               this Act; and

6               (B) each report received under subsection  
7               (a) for the applicable year.

8               (2) FINAL REPORT.—The Comptroller General  
9       shall submit a final report to the Congress within 9  
10      months after the conclusion of the demonstration  
11      program under this Act that summarizes the find-  
12      ings of the annual evaluations conducted pursuant to  
13      section 11(a)(2).

○

HR 1640 IH——2